

ORIGINAL

RECEIVED

SEP 27 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of

Section 257 Proceeding to
Identify and Eliminate
Market Entry Barriers
for Small Businesses

GN Docket No. 96-113

DOCKET FILE COPY ORIGINAL

COMMENTS OF GWENDOLYN A. CHRISTOPHER,
OWNER OF MOORE BROADCASTING SERVICE, INC.¹

I. OBSTACLES THAT DETER THE FORMATION AND EXPANSION OF SMALL
TELECOMMUNICATIONS BUSINESSES, SPECIFICALLY IN THE LOW POWER
TELEVISION INDUSTRY.

Inherent with the current Advanced Television "ATV"
conversion proposal comes a major regulatory hurdle for the low
power television industry. The impact of the proposed conversion
goes above and beyond a mere obstacle to deter formation and
expansion, it effectively eliminates the opportunity to form and
expand any viable business in the low power industry by
eliminating more than 45% of LPTV stations across the country.
There are 256 minority owned community television licenses and
permits. Of the 256 minority owned licenses 48 are owned by
African Americans. African American LPTV owners provide service
to approximately 7 million households, which include many major

¹Gwendolyn A. Christopher, owner of Moore Broadcasting
Service Inc., owns a network of nine low power television
stations either operating or under construction in the region
stretching from Detroit to Cleveland. Her business is also to
advocate for the continued viability of community based
broadcasting.

029

innercities.

Presently, community broadcasters are asking the FCC to take a second look at the draft ATV allotment table and find a way for all stations to benefit from Advance Television. If LPTV stations are allowed to survive, we will be able to increase our service to 40-50 miles on an average, with no increase in our current peak transmitter power; provide additional services related to the main video feed, such as interactive TV; there would be less interference between existing stations than the present analog system and we could fit more channels in the same area, dramatically improving spectrum efficiency.

If LPTV industry loses 45% of its stations it naturally follows that the FCC's stated purpose, to provide specialized services to predominantly minority communities that were being undeserved, is now being ignored. If the importance of LPTV is set aside, many people will be adversely effected. First and foremost, the millions of faithful viewers whom the FCC felt were being underserved. Second, thousands of employees of LPTV. Third, the numerous small business station owners who no longer have a license through no fault of their own, but still have to pay on the loans used to construct their stations. Moreover, African Americans are hit the hardest because our community stations are concentrated in major markets where there is little spectrum available.

II. PRACTICAL IMPACT OF TRANSITION TO ATV ON SECTION 257'S GOAL OF FAVORING DIVERSITY.

With the promulgation of the Communications Act of 1934 came the FCC's goal to establish broadcast station ownership patterns that represent the views of the public at large and as a result, diversify program content. Throughout the implementation of diversity policies for television broadcast service, the FCC stood fast to the proposition that diversification better serves the needs of the public.

With this principle in mind, and despite the growth in ownership in the LPTV industry, the FCC now seeks to exclude low power broadcasters from transitioning to ATV. The FCC has adhered to the premise that the broader public interest is best served by limiting initial channel allocation to existing eligible broadcasters. It is our contention that the 1800 plus licensed LPTV broadcasters are inextricably linked in that category. To conclude that the LPTV entrepreneurs are not is a slap in the face. Low Power television is fundamentally the same as full power television. Furthermore, in looking at the "broader public interest" the FCC should focus more attention on the voices of the minorities whose views have clearly not been considered in FCC decision making. Are minorities not a significant part of the public at large? If their voices were heard they surely would not have advocated for the elimination of 75% of minority television licenses due to the new table allocations.

Moreover, it is consistent with the enumerated rights of the

Constitution that any technical standards used to develop an allotment table should be readily, and more importantly, equally available to ALL broadcasters and the diverse audiences they serve.

On a final note, the impact that the transition to ATV seems to have on diversity is that there will be significantly less diversified programming because there will be little, if any diversity in ownership, thus rendering Section 257's goal of diversity essentially void.

III. IMPEDIMENTS TO "TRULY" SMALL BUSINESSES IN TELECOMMUNICATIONS.

Section 257 embodies Congress' intent to facilitate opportunities for small businesses in telecommunications and suggests that competition should be increased by diversifying ownership. Nonetheless, there seems to be a contradiction when this Section is applied to the low power television industry. As stated in an article in *Community Television Business*², low power stations fulfill all of the criteria for small businesses and all of the goals that the U.S. government wants to achieve:

1. They are independently owned and operated, and the majority were financed with equity investment by owners themselves.

2. They are not dominant in the marketplace in ether video services or television broadcasting.

²Volume 3, No. 17, Pg. 1 Sept. 9, 1996.

3. Annual receipts rarely, if ever, exceed \$10.5 million at any station.

4. They increase the voice of media voices in the nation by serving small communities with no other local TV service and by serving niche, minority, or other specialized audiences in large markets.

5. They create new jobs, especially entry-level jobs where new careers can begin.

6. Lack of bank or other institutional financing has limited their size-thus making them true small businesses.

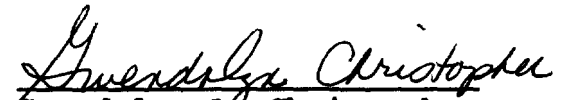
Therefore the advent of the ousting of low power television in the transition to ATV should be carefully reconsidered. The FCC should refocus its "small business" attention from trying to facilitate new billion dollar bidding for spectrum to assisting the currently existing truly small business so that they are not eradicated. Instead of impeding the growing LPTV industry's progress by blocking proposals to improve LPTV facilities³, the FCC should recognize the goals that they have repeatedly stated, and that have been acknowledged by Congress.

In essence, the Commission is proposing to destroy hundreds of new, vibrant, growing, innovative small businesses that may employ thousands of people. The Commission is getting ready to

³From 1994-1996, some 1,0 proposals to improve LPTV facilities were blocked preventing stations from remedying coverage defects, and in many cases, prevented new stations from being built at all. *Community Television Business*, Vol. 3 No. 17 Pg. 8. Sept. 9, 1996.

shove 7/8ths of the minority TV broadcasters out of the telecommunications industry. And all of this terrible destruction is unnecessary. The extra FCC staff time and resources could be used more efficiently to explore a better, more fair, equitable and honest resolution. It is the only just thing to do.

Respectfully Submitted,


Gwendolyn A. Christopher

Dated: September 27, 1996